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MESSAGE

OF

JOHN C. BROWN,

Governor of Tennessee,

TO

THE FIRST SESSION

OF THE

THIRTY-SEVENTH GENERAL ASSEMBLY

OF THE STATE.

Compliments of Jno. C. Brown

OCTOBER, 1871.

NASHVILLE, TENN.:
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GOVERNOR'S MESSAGE.

Gentlemen of the Senate and of the House of Representatives:

FULLY impressed with the delicate task imposed by section 11, Article III, of our State Constitution, I approach it with a full conviction that you will appreciate the difficulties that have attended me, in the discharge of that duty, both immediately before, and since my induction into office.

The only reliable sources of information of the State finances, are the Comptroller's and Treasurer's offices, and by Act of Assembly these officers report directly to your body, and their reports pass the delay of printing before they reach the Executive office.

Hence, you are fully advised of the financial condition of the State before I can officially obtain such information.

The duties awaiting you are not only important, but most responsible. Your legislation will determine the question, whether Tennessee will provide for the payment of the large debt entailed upon her by the casualties and results of war, or whether it will be indefinitely postponed, until our credit is broken down, and the debt becomes so large, by accumulating interest, that its payment will bankrupt the people.

The legislation of the last two years, as it appears to me, precludes any discrimination in our bonds, upon any assumption of illegality in their issuance.

The Act of the 25th February, 1869, as amended by the Act of 20th January, 1870, chapter 44, permitting Railroads indebted to the State by reason of bonds loaned to them, to cancel their obligations, with bonds of any series or number, in effect acknowledges a liability of the State to pay all outstanding bonds, not specially excepted by the Act itself, or amendments thereto.

The Act itself makes no exception. The Act of 6th December, 1870, prohibits the Comptroller of the Treasury from receiving the bonds issued to "The Mineral Home Railroad Company," and the Act of the 29th of June, 1870, forbids the redemption of the bonds issued to "The Insurance Company of the Valley of Virginia."

And by interdicting the reception of no other bonds, implied authority is thereby given to receive all bonds, not excepted in those Acts.

And this is an unmistakable declaration to the world, that all other bonds issued under the semblance of law, are regarded as obligatory upon the State.

Accordingly, bonds to over eight millions of dollars have been retired and cancelled—nearly all of which are bonds issued since the war.

Other roads have purchased and are now purchasing bonds with which to cancel their liabilities to the State, under the same Act, which is unrepealed.

It would seem, therefore, that the State has, by implication, at least, admitted its liability for the payment of all outstanding bonds other than those specially interdicted.

The bonds outstanding are, all of them, doubtless, in the hands of innocent holders.

These considerations alone are sufficient to determine the question that Tennessee must and will redeem the entire outstanding bonded debt, with the exceptions stated.

But, independent of this, and as a question of sound State policy and justice to the holders of our securities—some of whom are minors, some subjects of foreign governments, and many more our own citizens who made the investment under existing laws, relying upon the good faith of the State as implied by its legislation—we can not discriminate between these bonds. And, therefore, it is only a question of time as to when we will resume the payment of interest.

After exhausting all other sources, the balance of bonded debt, including interest to the 1st of January, 1872, as will be seen elsewhere, is about $19,493,173.66.

Of this, $15,000,000.00 is principal, and $4,493,173.66 is accrued interest.

The interest on this debt must be paid altogether out of the revenues of the State.

With a floating debt of $1,668,417.27, besides the current expenses of the Government, (say six hundred thousand dollars per annum,) we can not resume the payment of interest until the floating debt is wholly absorbed, and, of course, the current expenses must be paid as they accrue.

The laudable desire of the people for retrenchment in the public

expenditures, and a consequent diminution of the rate of taxation, ought not to be construed into a desire to evade the provision necessary for an economical administration of the Government, or the payment of the obligations of the State. The immense loss of property sustained during the last ten years, and the unsuccessful efforts in agriculture for the past two years, make it most desirable that the burthens of taxation, if possible, be alleviated.

But the people are determined to preserve the honor of the State by meeting fairly all her obligations, and paying all her necessary expenses. This is their first desire, and secondary and subordinate to this, is their wish to reduce the rate of taxation.

This question was fully discussed throughout the State, in the canvass which resulted in our election, and the declaration that the whole debt must be paid, met with the unqualified indorsement of the people.

And it is now submitted to your wisdom and patriotism, as well as to your just sense of State pride, whether the present aggregate of revenue can be diminished.

If the current expenses of the Government are not provided for, its machinery must stop, and society will be unprotected against crime. The citizen can not obtain redress of his wrongs, nor enforce his contracts in the courts of justice.

Under a decision of the highest judicial tribunal in the Government, we are required to redeem the legal circulation of the Bank of Tennessee in the hands of tax-payers, which makes it a primary charge upon the revenues, and takes precedence, practically, of the current expenses of the Government.

Our securities, already hypothecated for the loan of over two hundred thousand dollars to support the State Government, will be sacrificed by a forced sale, if we fail to make provision for its payment.

The treasury warrants now outstanding, many of them issued to the present judiciary and other officials of the State for their salaries, which the law requires to be paid in money, and many more of them for the school fund due the various counties out of the revenue heretofore collected by the State, under every legal and moral consideration, should be paid without delay.

The practical question then, presents itself: Can we pay the floating debt, together with the current expenses of the State Government, at a diminished rate of taxation, and resume the payment of interest at an early day?

This can only be answered by a careful examination of the sources of revenue and the aggregate to be realized, as compared with the liabilities to be met.

FINANCIAL CONDITION OF THE STATE.

I beg to call your attention to the financial condition of the State, as shown by the Comptroller's Report, made to the present General Assembly, and especially to the amended Report, of date 20th of October, 1871, made to me; which I have the honor herewith to transmit to you, with the accompanying correspondence.

It will be seen that the entire indebtedness of the State, including the floating debt, and interest on the bonded debt to January 1st, 1872, after deducting the amount of indorsed Bonds which are solvent, together with Bonds and Coupons paid in, is—

		$32,152,156 19
Deduct the indebtedness of solvent roads that pay interest, with interest added to January, 1872, viz:		
Memphis & Charleston,	$1,911,771 33	
Mississippi & Tennessee,	435,320 50	
Mobile & Ohio,	1,785,246 00	
Mississippi Central,	1,235,105 93	
Nashville & Chattanooga,	406,850 00	
Balance from Nashville & Decatur	2,240 00	
		5,776,533 76
Leaving a balance of		$26,375,622 43
From this deduct the balance due from purchasers of delinqent roads, as follows:		
Memphis, Clarksville & Louisville,	$ 849,800 00	
Interest for 18 months,	76,482 00	
Edgefield & Kentucky,	675,000 00	
Interest for 18 months,	60,750 00	
McMinnville & Manchester,	225,000 00	
Interest for 18 months,	20,250 00	
Winchester & Alabama,	225,000 00	
Interest for 18 months,	20,250 00	
Cincinnati, Cum. Gap & Charleston,	300,000 00	
Interest for 18 months,	27,000 00	
Knoxville & Kentucky,	350,000 00	
Interest for 18 months,	21,500 00	
Nashville & North-western,	1,700,000 00	
Interest for 18 months,	153,000 00	
		4,714,032 00
Leaving balance of		$21,661,590 43

Deduct from this balance the estimated value of delinquent roads not yet sold, viz:		
Knoxville & Charleston,	$ 150,000 00	
Rogersville & Jefferson,	30,000 00	
East Tenn. & Western North Carolina,	20,000 00	
Tennessee & Pacific, say	300,000 00	
		500,000 00
Balance of Debt,		$21,161,590 43
Deduct Floating Debt proper:		
Tenn. Money (old issue) unredeemed,	$ 710,000 00	
Treasury Warrants outstanding,	752,417 27	
Loan Account,	206,000 00	
		1,668,417 27
Actual balance Bonded Debt and Interest,		$19,493,173 66

Thus it appears, that, after deducting the reliable assets and securities of the State, other than taxes levied and uncollected, there remains an actual indebtedness of $21,161,590.43, which must be provided for. Of this amount, $1,668,417.27 is floating debt; and the bonded debt, with interest to the 1st of January, 1872, is $19,493,173.66. Of this latter amount, about $15,000,000 is principal, or bonds with no interest added.

Until the accrued and accruing interest is funded, and the payment of current interest is provided for, the debt will increase every year on the balance of bonded debt, about $900,000, in the way of interest. With these figures, it needs no argument to prove that it is the most disastrous policy to postpone the resumption of interest payments.

While I have earnestly hoped, and sincerely believed, that, by adopting the policy of funding the interest on the bonded debt, up to and including July 1, 1873, we could discharge our floating debt, and resume the payment of interest at that date, and at a reduced rate of taxation, yet, after a careful examination of the whole question, I can not see how a material reduction can be made, unless new and reliable sources of revenue can be made available, sufficient to supply such deficit as may result from a reduction.

The following estimates are relied on as approximately correct:

Balance bonded debt without interest,		$15,000,000 00
Past due coupons, and coupons maturing January 1, 1872,	4,970,590 93	19,970,590 93
Interest on $15,000,000 from January 1, 1872, to July 1, 1873,		1,350,000 00
If this interest is funded, the bonded debt would be,		$21,320,590 93

Interest to January 1, 1874, six months,	$ 639,602 72	
Interest to July 1, 1874,	639,602 72	
Annual interest,	$1,279,205 44	
Estimated current expenses,	600,000 00	
Amount to be paid annually,		$1,879,205 44

RESOURCES FOR PAYMENT.

$300,000,000 of taxable property, at 50 cents per $100, and deducting 13 per cent. for losses and costs of collection,	$1,300,000 00	
Net taxes on merchandise and privileges,	450,000 00—	1,750,000 00
Showing a deficit of		$129,205 44

This deficit must be supplied from new sources of revenue.

The theory of taxation in Tennessee is not based upon the idea of incomes or profits from wealth, but upon absolute values, privileges, etc.

Section 28 of Article XI of the Constitution, provides, that "all property, real, personal or mixed, shall be taxed; but the Legislature may except such as may be held by the State, by counties, cities or towns, and used exclusively for corporation or public purposes, and such as may be held and used for purposes purely religious, charitable, scientific or educational, and shall except one thousand dollars' worth of personal property in the hands of the tax-payer, and the direct product of the soil in the hands of the producer and his immediate vendee." * * "But the Legislature shall have power to tax merchants, peddlers and privileges, in such manner as they may from time to time, direct," etc.

And the only exception to the rule that taxation is upon the idea of values and privileges alone, is found in another provision in the same section, viz: "The Legislature shall have the power to levy a tax upon the incomes derived from stocks and bonds that are not taxed *ad valorem*."

Under these provisions, it is difficult to perceive how county and corporation bonds, in the hands of citizens of this State, can be exempt from taxation; nor how State bonds can escape, only so far as there may have been a condition annexed by the State to the sale

of her bonds. And yet, by section 19 of the Act of March 1, 1869, chapter 45, all such bonds are exempt from taxation.

It has been the policy of the State for a great many years, to tax all suits, appeals and writs of error, as well as presentments and indictments in courts of record, and considerable annual revenue is derived from these sources. If this is justifiable, (and it has never been seriously questioned,) there is no reason, either in principle, policy or justice, why litigation before Justices of the Peace should not pay a reasonable tax. There are three thousand Justices of the Peace under commission in the State, and if they average each twenty-five cases in a year, the whole number of cases is seventy-five thousand, and at an average tax of $2, would yield to the Treasury $150,000 per annum.

Many of the States of the American Union, tax the execution of the bonds of all trustees; and if a tax upon the execution of a deed can be justified, the argument would apply with equal force to bonds. There are many thousand—perhaps thirty or forty thousand – of these bonds executed every year, and with a moderate tax they would yield a large sum.

It must be borne in mind, that in a few years the railroads of the State will be taxable, according to their value. Upon those first constructed, the exemption provided by their charters will soon expire, and we may reasonably cherish the hope that, with a healthy adjustment of our finances, and a wise legislative policy, each year will develop new wealth from the vast natural resources of the State, and that every assessment will diminish the rate of taxation.

The floating debt, together with the current expenses of the State Government, can be paid by the 1st of January, 1873, out of the taxes heretofore levied, but yet uncollected, with an assessment of five mills or fifty cents to the $100 for the year 1872.

Floating debt,.....		$1,668,417 27
Balance expenses for 1871, estimated at $	250,000	
Expenses for 1872,.....	600,000	
Balance of unexpended appropriation for Capitol grounds,.....	100,000—	950,000 00
		$2,618,417 27
Revenues uncollected, say,.....	$1,200,000	
Revenues for 1872, say,.....	1,750,000—	$2,950,000 00
Leaving an excess of.....		$331,582 73

But in this calculation, there is no estimate made of the unascer-

tained expenses incurred in selling the delinquent roads, nor of such appropriations as may be made by the present General Assembly, nor of debts claimed of the State, by the United States Government on account of the Edgefield & Kentucky, and the Memphis, Clarksville & Louisville Railroad, the nominal amount of which is $501,560.82, but has not been included in the floating debt, because the amount and liability are now undergoing adjustment.

It is believed that these unestimated amounts, can be paid out of this apparent surplus. Then, if the uncollected taxes, together with the levies for 1872, will pay all the floating debt and the expenses for this and the ensuing year, it is confidently believed that we can fund the accrued interest on the bonded debt, and resume the payment of interest on the first day of January, 1874, at a rate of fifty cents on the one hundred dollars, *or even at a less rate,* if the necessary reforms in the revenue system are effected, and the new sources of revenue made available.

I therefore recommend that you provide for the funding of all coupons matured, or maturing to 1st of July, 1873, as well as all bonds due or maturing, by authorizing the issuance of bonds with coupons attached, at a rate of interest not greater than six per cent., to mature thirty years after date, and that they commence to bear interest from and after the first day of July, 1873, and provide that funding commence at once. You will thus declare, that the State of Tennessee will resume the payment of interest, commencing with the coupons maturing the 1st of January, 1874, for which your successors will provide.

Tennessee, with all her glorious memories of the past clustering around her, can not afford to repudiate her public debt. Nor can she longer submit to the humiliation of having her securities fluctuated in the markets by "speculating rings," whose loud sympathy for an "*over-taxed people*" is measured by their desire to buy bonds at a sacrifice, and sell them at a profit. An unreasonable delay in providing for the debt is practical repudiation, and will reflect its baleful consequences not only upon the credit of the State as a whole, but upon its individual members.

TAX SALES.

Your attention is invited to the fact that, for many years, lands sold for taxes under section 622 of the Code have been purchased in the name of the Treasurer, as Superintendent of Public In-

struction, for the use of common schools. And in the majority of instances, the only result of these sales has been to charge the State with large bills of cost advanced from the school fund to pay the expenses of selling the land.

Such lands are rarely redeemed, and the original owners are never disturbed in the possession or enjoyment of them. It is generally lands held upon speculation, or in large bodies, that are sold. And this system is an immunity to those delinquents against the payment of taxes, and the honest tax payer is the sufferer, because the deficits thus created are made up by increased assessments against him. A large amount, perhaps many hundred thousand dollars of the revenue, remains uncollected under this law, and legislation is required under which the lands can be resold, if not redeemed.

It is recommended, also, that the section of the Code referred to be repealed, and in its stead stringent laws be enacted, by which the tax on lands, like that on personal property, may be made available to the Treasury of the State. The Collectors often fail in their duty, in not exhausting the personal property before reporting lands for sale.

This should be remedied under proper penalties and restrictions

THE ASSESSMENT OF PROPERTY.

Section 28 of Article II of the Constitution provides, that "All property shall be taxed according to its value; that value to be ascertained in such manner as the Legislature may direct, so that taxes shall be equal and uniform throughout the State."

"No one species of property, from which a tax may be collected, shall be taxed higher than any other species of property of the same value."

This provision of the Constitution will be violated, if the mode of assessment does not result, as near as possible, in taxing property according to its value, and so that taxes shall be uniform throughout the State.

Any plan of assessing property which does not meet this requirement is in palpable violation of the Constitution.

And any system which fails to assess *all property* subject to taxation, will be in conflict with another provision of the same article, requiring "all property to be taxed" excepting, etc., etc.

The practical workings of existing laws, for the assessment of

taxable property, produce great dissatisfaction, resulting in oppression to a large class, because of the great inequality of assessments of property of the same market value.

There are too many Assessors in each county. Each Assessor has his own peculiar views and plans upon which to base his estimates, and the result is, that there is an absence of uniformity in the valuation of property.

It often occurs that tracts of land lying contiguous to each other, of the same quantity, quality and value, differ in their actual assessments, from fifteen to one hundred per cent., and only because they are separated by an imaginary district line, and assessed by different officers.

It is but justice to all classes, and especially to the honest, prompt tax payer, that a uniform valuation be made throughout the entire State, so that all may bear equally the burthens.

The officers upon whom this task is imposed in the various civil districts, would, doubtless, be greatly relieved by such additional legislation as would exempt them from some of the responsibility, and frequently odium, which is cast upon them in the performance of the delicate task of affixing a valuation to their neighbor's property.

I, therefore, recommend that, as an amendment to the present system, the County Courts be required to appoint, for their respective counties, a Board of Revenue Assessors, consisting of three or five men, who shall be charged with the duty of assessing all taxable property in their respective counties, and that they shall be required to base their valuation of all lands upon the written evidence, in the form of depositions, of not less than three resident freeholders of the civil district in which the lands are situated, touching the value of each tract of land in their district; said depositions to be taken in the civil districts where the land lies, before some Justice of the Peace of said district, by whom the depositions shall be returned to the Board of Assessors on or before the ——— day of ——— in each year, and filed by them with their returns to the County Court.

And, inasmuch as there is generally no standard of cash values affixed to lands, the value upon certain credits to be fixed by law should first be ascertained by the Assessors from the proof, and then they should reduce it to a cash basis by a uniform rule, to be prescribed by law. No freeholder who is willing to bear his just pro-

portion of the public burthens, in consideration of the protection afforded his life and property by the Government, can complain of this system. The testimony of his neighbors is invoked to do justice between him and the State. The same rule is applied to his neighbor. All landholders are placed upon an equality, and pay taxes in proportion to the actual value of land owned by each.

It is also recommended that schedules of all taxable property shall be required of each tax payer, under proper and just restrictions, and with necessary penalties annexed; to be received by the District Assessor from the tax-payer, and to be by them delivered, on or before the ——— day of ——— in each year, to the Board of Assessors of their county.

SOLVENT RAILROADS.

It is my duty to remind you, that, unless you repeal existing laws permitting solvent roads to pay, in past due coupons, the interest on the bonds loaned them by the State, the State must continue to receive from them past due coupons in payment of interest, and pay the bondholder in currency, by taxing the people.

The bonds originally issued by the State, with subsequent bonds, to fund accrued interest, for which these solvent roads are liable, are as follows, to-wit:

Memphis & Charleston Railroad,.....	$1,864,387 45
Mobile & Ohio Railroad,.....	1,684,800 00
Mississippi Central Railroad,.....	1,199,180 00
Mississippi & Tennessee Railroad,.....	417,800 00
	$5,166,167 45

The annual interest on this amount is about $300,000.00, and this yearly burden will continue until there are no past due coupons in the market.

The delay of the solvent roads that have not retired their indebtedness to the State, under the Act of 20th of January, 1870, to avail themselves of the benefits of the Act, indicates an indisposition to do so.

And, inasmuch as more than eighteen months have elapsed since this legislation was adopted, I recommend that the Act be either repealed, to take effect at some future time, not remote; or that its provisions be so amended as that the roads be required to pay all accrued interest, as well as the sinking fund not heretofore paid in.

The reason for this suggestion is, that ample time has elapsed for

these roads to have aided the State in diminishing her outstanding indebtedness, under this most liberal legislation, if disposed to do so. And the continuance of this policy affords an opportunity for speculative transactions, injurious to the credit of the State, and in no way beneficial to the great mass of the people.

While the railroads of the State should be fostered, and receive all necessary aid and assistance, yet they must not be allowed to become oppressive monopolies, at the expense of the prosperity of the general community.

DELINQUENT RAILROADS.

There remain but three of the delinquent railroads unsold.

The information you have, through the report of the Commissioners appointed to sell the delinquent roads, is all you desire on that subject. It will be a gratifying result when the State is entirely divorced from the railroad system.

And, although the sales will not realize all that was desired, and leaves a large debt to be provided for, yet the internal improvement system of Tennessee has added millions to her wealth, and diffused such energy and enterprise into every class of society, that no intelligent man can regret the policy which inaugurated the system, notwithstanding a large amount of appropriations made since the war may have been improperly expended.

Commerce, trade and manufactures, have been promoted and multiplied; population has largely increased, and the value of real estate enhanced over one hundred millions of dollars.

TURNPIKE ROADS.

The State, in the liberality of legislators, inspired with a laudable desire to open up communications between the producer and the marts of trade, contributed, from time to time, large sums in the form of bonds, to building turnpike roads, amounting, in the aggregate, to about $1,317,356.60.

These roads have contributed much to develop the resources of the State, and have largely enhanced the aggregate of wealth.

Many of these roads, however, were neglected during the late civil war, and some of them became almost worthless.

The State is now prohibited, by organic law, from issuing bonds to aid in rebuilding these roads, and she can not contribute from her revenues anything for that purpose.

Only six of these pay any dividends into the State Treasury.

I, therefore, respectfully recommend that immediate action be taken for the sale of the State's interest in such of the turnpike roads as pay no dividends.

The probability is, that these roads may be purchased and repaired by private enterprise, and again become useful to the country, and remotely, if not directly, add to the revenue of the State.

The roads that pay no dividends to the State, as shown by the report of the Secretary of State, are as follows, viz.:

Nashville, Murfreesboro & Shelbyville cost the State....	$66,666 60
Nashhville & Kentucky cost the State.....	50,000 00
Franklin & Columbia cost the State.....	75,900 00
Nashville & Charlotte cost the State.....	30,000 00
Columbia, Pulaski & Elkton cost the State.....	126,606 00
Clarksville & Russellville cost the State.....	37,500 00
Columbia Central cost the State.....	139,000 00
Ashport cost the State.....	35,000 00
Big Hatchie cost the State.....	12,000 00
Chambers & Purdy cost the State.....	7,500 00
Forked Deer cost the State.....	7,000 00
Fulton cost the State.....	6,000 00
Rogersville & Little War Gap cost the State.....	15,000 00
Bristol and Kendrix Creek cost the State.....	20,000 00
Jacksboro, Powell's Valley & Cumberland Gap cost the State.....	8,000 00
Mulberry Gap & Rogersville cost the State.....	50,000 00
Harpeth cost the State.....	39,000 00
Jefferson cost the State.....	45,000 00
Murfreesboro, Manchester & Winchester cost the State..	49,890 00
Pelham & Jasper cost the State.....	44,000 00
Total,.....	$864,062 60

The other turnpike roads yield a revenue to the State, and it would, perhaps, be unwise to sell them.

PENITENTIARY.

I have seen no report from the officers of this institution, and will hereafter make it the subject of a special message.

In the meantime I can not too earnestly recommend that your committees, charged with the duty of considering the legislation necessary for the State prison, be directed to familiarize themselves with the results of experiments made under the present organization, designed to make the prison self-sustaining, and at the same time to divert convict labor from mechanical pursuits.

It is proper, also, to state that the terms for which the present officers were appointed, will expire after the termination of your regular session.

PUBLIC ROADS.

The importance of improving the ordinary thoroughfares of the country, is so manifest that, an argument in that direction is superfluous.

It is universally conceded and lamented, that the country roads are in a worse condition since the war than ever before, and no remedy has yet been presented.

We can not now assess a general tax upon the State, with the heavy tax already unavoidable, to improve the roads. Much relief might be afforded by authorizing the counties to levy a road tax, and appoint road inspectors, charged with the duty, at stated intervals, of inspecting all the public roads of the county, and reporting their condition both to the County Court and to the Grand Jury.

Such legislation would place it in the power of each county to have good roads at a small expense. This, it is believed, together with the labor of the misdemeanor gang of the county, and felony convicts of inferior grades, would very greatly remedy existing evils.

COMMON SCHOOLS.

The last General Assembly, actuated by a commendable desire to promote learning, authorized the several counties to establish and support common schools.

And whether, as an original proposition, that system meets our approbation, yet, inasmuch as it has proven eminently successful in the counties adopting it, it would, perhaps, be unwise to disturb it until a fair experiment demonstrates what changes, if any, are necessary.

We can not if we would, disguise the lamentable fact, that there are a large number of children in the State deprived of instruction in the ordinary principles of an English education.

Intelligence is a large element in the enterprise, prosperity and happiness of every community, and so far as facilities can be afforded, the education, of the people should be aided and advanced. And if legislation can be devised by which the present system could be more generally and effectually tested, great good might result therefrom, and future legislation, if need be, more intelligently directed toward the perfection of this, or the adoption of some other system,

by which the educational necessities of the State would be fully met.

This question will, of course, receive at your hands the careful consideration its great importance demands.

ASYLUM FOR THE INSANE.

The reports of the Trustee, Superintendent and Treasurer, will be transmitted in a few days, by special message.

From the Superintendent, I learn, officially, that the number of inmates within the last two years, has considerably increased; and that the number of applicants for the privileges and benefits of this necessary charity, is rapidly increasing.

During the past two years, additions to the building have been commenced, and have progressed near to completion, the cost of which has been borne in part from amounts collected, due the Institution from former pay-patients, as well as from a portion of the proceeds of the sale of the Old Lunatic Asylum property, as authorized under An Act of the General Assembly, of June 8th, 1870, together with the application of a part of the appropriation for current expenses.

The legislation which may be necessary in behalf of a just and liberal maintenance of this charity in all its departments, will more fully appear from the official reports of the officers; and when they are transmitted to you, I shall make such suggestions for your consideration as shall then present themselves, under a careful examination of the whole subject; and at the same time recommendations will be made, in behalf of the other charitable institutions of the State.

COUNTY WORK-HOUSES.

In seeking to curtail and reduce the unnecessary expenses of the Government, your attention will doubtless be directed to the immense cost incurred in the prosecution of criminals—amounting to $150,000 or 200,000 per annum.

By the establishment of a proper system of work-houses in each county the State might be relieved of the greater part of this burden.

More than one-third of the 740 inmates now in the State Prison are undergoing punishment for the crime of petit larceny.

I would respectfully recommend that the criminal laws be so amended as to provide for the punishment of this offense as well as others of the same grade, as well as all cases of misdemeanor, by confinement and labor in the several counties where the law may have been

violated. By labor upon the public roads, bridges and buildings, the prisoners may be made to reimburse the county for the expense of their confinement, and the cost of conviction, which ought in the first instance, to be paid out of the county revenue.

CAPITAL AND LABOR.

Tennessee has all the natural elements necessary to make her the wealthiest among the States of America.

She has room for millions more of population, and capital without limit could find a rich return to its investment in mining and manufacturing.

We need more working men who are willing to identify themselves with our country and our people, and aid earnestly and actively in subordinating to trade and commerce the countless wealth not yet wrested from nature's hand.

Such means as will best inform the world of Tennessee's vast resources, the salubrity of her climate and fertility of her soil, together with a settlement of our finances upon a permanent basis, is all that is required to attract hither all the labor and capital we need.

THE JUDICIARY.

It is respectfully represented that in some of the densely populated Judicial Circuits, the overcrowded condition of the dockets causes delay in the hearing of civil causes, to the detriment of litigants, and often postpones the trial of presentments and indictments on the criminal dockets, in violation of the rights of the accused.

The wrong done the State in swelling bills of cost is considerable. It is apparent that the only remedy is either to curtail the circuits or create Criminal Courts, which may be temporary or permanent, as the wants of the community may in your opinion, require.

CRIMES AND CRIMINALS.

The criminal laws will be carefully examined by you, and revised if found imperfect; so that criminals may be speedily and certainly arrested and made answerable before the courts for their offenses.

I pledge the Executive Department to exhaust every remedy afforded it by law for the arrest of all criminals of every character; and I shall spare no effort to execute the law as I find it upon the Statute Book.

In conclusion, I must say, that on account of the limit fixed to

your ssession, I have felt constrained to hasten this communication before I could see the Treasurer's report.

There are other subjects I shall bring to your attention before your adjournment, and so soon as detailed information can be had.

I have now performed my duty under a clear conviction, that whether you accord with me in the policy suggested, you will be guided alone by a sincere and enlightened desire to advance the general welfare; and may He, who is the Sovereign of States, guide your deliberations in harmony, to the promotion of prosperity and happiness among all the people.

And may peace reign, and concord prevail in all our borders.

JOHN C. BROWN.

CORRESPONDENCE.

EXECUTIVE OFFICE,
NASHVILLE, TENN., Oct. 19, 1871.

SIR:—I respectfully call your attention to the official report, as submitted to the General Assembly, of date 1st October, 1871, and ask you to review the credit side of the account, in the statement making up the indebtedness of the State. It appears to me there is an omission to give credit by the proper amount of interest upon the bonds retired, and upon the indebtedness of the purchasers of solvent railroads; and there are perhaps some clerical or typographical errors in the account. After a revision, if you find any alteration necessary, please submit me an amended report of that statement.

Respectfully, your obedient servant,

JOHN C. BROWN, *Governor.*

To ED. R. PENNEBAKER, *State Comptroller.*

COMPTROLLER'S OFFICE,
NASHVILLE, TENN., Oct. 20, 1871.

SIR:—I find that an estimate of interest on the retired bonds since the date they were delivered to me, as well as an estimate of interest on the balance due from purchasers of delinquent railroads, was inadvertently omitted in stating the account of the State's indebtedness. I find, also, some clerical errors in the statement; I have carefully revised it, and have the honor herewith to submit an amended report, including also a statement of railroads sold since the date of my Report, which I am satisfied is correct, and respectfully ask that it be transmitted by you to the General Assembly.

Respectfully, your obedient servant,

ED. R. PENNEBAKER, *Comptroller.*

To His Excellency, JOHN C. BROWN, *Governor.*

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